



July 9, 2014

Item No. 7

AUTHORIZATION TO EXECUTE A HOUSING ASSISTANCE PAYMENTS CONTRACT FOR ILLINOIS ACCESSIBLE HOUSING INITIATIVE PHASE II

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners (Board) approve the attached Resolution authorizing the Chief Executive Officer (CEO) or his designee to 1) execute a Housing Assistance Payments Contract (HAP) for Illinois Accessible Housing Initiative Phase II (IAHI Phase II) and 2) execute all other documents as may be necessary or appropriate to implement the foregoing.

CORPORATE GOAL

The proposed contract supports Plan Forward Goal #1: coordinating public and private investment to develop healthy, vibrant communities.

This contract will result in more affordable housing opportunities for people with physical disabilities by providing Property Rental Assistance (PRA) for 15 condominium units as detailed below.

FUNDING: Housing Choice Voucher Program (HCV)

PROPERTY SUMMARY

Development Name	Community / Ward / Alderman	Developer / Owner	Target Population	PRA Units	Total Units
Illinois Accessible Housing Initiative Phase II	Lakeview/42 th / Thomas Tunney;	Home First Illinois (HFI)	People with Physical Disabilities	2	206
	Uptown/46 th / James			1	901
	Cappleman;			1	60
	Bridgeport/11 th / James Balcer;			4	573
	Hyde Park/5 th / Leslie Hairston;			3	168
	New City/12 th / George Cardenas;			4	1,209
	Edgewater/48th/ Harry Osterman				

CONTRACT SUMMARY

Development Name	Funding	Contract Term	Contract Type	Initial Estimated Contract	Total Estimated Contract	Application Received
Illinois Accessible Housing Initiative Phase II	HCV	30 Years	HAP Contract	\$175,236/ year	\$7,108,988 (30 years)	April 2013/ April 2014

Proposed Development: IAHI Phase II

- The developer, Home First Illinois (HFI) received State funds to acquire 200 condo units in Cook County over multiple phases that would be made accessible to physically disabled people transitioning out of nursing homes.
- Phase I, consisting of 20 units in two stages, was approved by the CHA Board in August 2012 and in May 2013.
- CHA Board approved a preliminary commitment letter for Phase II in July 2013 for an additional 25 units. The developer has obtained the necessary funds from IHDA to acquire those units and make them accessible.
- At this, time HFI has acquired 12 units and has three under contract consisting of four studio, nine one-bedroom, and two two-bedroom units in eight condominium buildings located in six community areas. When site control has been secured for the remaining 10 units in Phase II, HFI will submit a supplemental PRA application for CHA Board approval of those specific units.
- These units will count toward CHA's 200-unit Section 811 commitment to the State.

Developer Background

- HFI, a subsidiary of IFF, was created to develop and own supportive housing for very low-income people with physical disabilities.
- HFI received \$5 million in Build Illinois Bonds funds from IHDA in 2011 to develop accessible housing for households referred through the Money Follows the Person (MFP) program.
- All of Phase I is complete and under a PRA HAP contract. IHDA has committed an additional \$10 million to HFI to acquire 50 more units in Chicago and Cook County.
- The units will be managed by Affordable Property Management Specialists, which has been in business since 2006 and currently manages four LIHTC projects in 10 buildings totaling 275 units in the City.

Developer Financing

- Build Illinois Bond Funds: \$10M
- IFF First Mortgage: \$1.5M

Waiting List / Occupancy Process

It is the intent of the owner/manager of IAHI Phase II to lease all of the PRA-assisted units to physically disabled applicants referred from the State of Illinois' Money Follows the Person program. Any applicants that are also on CHA's waiting list will be given a priority preference.

Conclusion

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority Board policies and all applicable federal procurement laws.

The Chief Housing Officer concurs with the recommendation to execute a HAP contract for Illinois Accessible Housing Initiative Phase II.

The CEO/President recommends the approval to execute a HAP contract for Illinois Accessible Housing Initiative Phase II.

RESOLUTION 2014-CHA-73

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board letter dated July 9, 2014 requesting authorization to execute a HAP contract for Illinois Accessible Housing Initiative Phase II;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute a HAP contract for Illinois Accessible Housing Initiative Phase II.



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